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June 27, 2019

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
Synergy Business Park, The Saluda Building
101 Executive Center Drive
Columbia, SC 29210

**RE: Application of Duke Energy Progress, LLC for Adjustments in Electric
Rate Schedules and Tariffs and Request for Accounting Order
Docket No.: 2018-318-E - Compliance Filing for Order No. 2019-454**

**Annual Review of Base Rates for Fuel Costs for Duke Energy Progress,
LLC
Docket Number 2019-1-E; Compliance Filing for Order No. 2019-452**

Dear Ms. Boyd:

The decisions on reconsideration made in Commission Order No. 2019-454 (“the Reconsideration Order”) in Docket No. 2018-318-E require revisions to the previous compliance filing made by Duke Energy Progress, LLC (“the Company”) on May 28. As a result of the Reconsideration Order, the Company’s annual revenue increase is now \$42.1 million versus the previously approved \$41.5 million, which has been reduced in the first year by a credit of \$12.854 million for excess deferred income impacts associated with changes in federal and North Carolina’s state income tax rates. Consistent with past practice, the tariff rates were calculated to reflect the net revenue increase of \$29.246 million effective for service rendered on and after July 1, 2019. The tariff rates were previously adjusted in the Company’s May 28 filing to reflect a reduction in the demand side management and energy efficiency rates that was approved by Order No. 2018-724 in Docket No. 2018-255-E that occurred after the filing of the Company’s rate case application.

Additionally, in Commission Order No. 2019-452 in Docket No. 2019-1-E, the Commission approved adjustments to the Company’s fuel rates and Distributed Energy Resource Program charges effective for service rendered on and after July 1, 2019. Accordingly, the Company has revised its tariffs and charges to reflect this adjustment. The new fuel rates reflect a decrease in the fuel cost component. A table describing the change in rates approved in the fuel adjustment proceeding by rate class is attached. A separate bill insert and bill message will be provided to customers to address these changes.

A reconciliation of each tariff rate is provided in Revised Compliance Exhibit No. 9 to identify the present, approved and billing rate reflecting in each tariff as of July 1, 2019.



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Note, the Company will be filing the approved tariffs electronically in the Commission's E-Tariff system and will file the customary letter once completed.

The revised compliance exhibits are identified as follows:

1. Revised Compliance Exhibit No. 1 – Operating Results Under Current and Approved Rates
2. Revised Compliance Exhibit No. 2 – Cost of Service Results and Approved Increase by Rate Class
3. Revised Compliance Exhibit No. 4 – Revenue at Current and Approved Rates
4. Revised Compliance Exhibit No. 5 – Class Revenue at Current and Approved Rates
5. Revised Compliance Exhibit 7: Approved Tariffs
6. Revised Compliance Exhibit 8: Current Series 54 Tariffs Highlighting Approved Changes
7. Revised Compliance Exhibit 9: Rate Table of Current Series 49 rates, Approved Rates, and Billing Rates with the inclusion of the January 1, 2019 DSM/EE Adjustment and July 1, 2019 Fuel Adjustment

A revised version of the Company's proposed notice to customers of the base rate increase originally filed on May 28, as directed by the Commission, is also attached and being made a part of today's filing. The revised proposed notice reflects the change in revenue due to the directives contained in the Reconsideration Order, and will be provided as a bill insert to customers upon Commission approval. In addition, because the changes in base rates and fuel rates will both occur on July 1, the Company has included a brief message in its normal bill message for the fuel adjustment alerting customers to the additional change in base rates for service rendered on or after July 1, 2019 to eliminate potential confusion.

Please do not hesitate to contact me if you have any questions or require additional information.

Yours truly,

Frank R. Ellerbe, III

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Enclosures

cc w/enc: Parties of Record (via email)
Heather Shirley Smith, Deputy General Counsel (via email)